

SPAR AEROSPACE PRODUCTS LTD.

NOTICE OF THE ANNUAL AND A SPECIAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD WEDNESDAY, JULY 22, 1970

NOTICE IS HEREBY GIVEN that the Annual and a Special General Meeting of Shareholders of Spar Aerospace Products Ltd. will be held at the Beverly Hills Motor Hotel, 1677 Wilson Avenue, Toronto, Ontario, on Wednesday, July 22, 1970, at the hour of 10:00 o'clock in the forenoon (Eastern Daylight Saving Time) for the following purposes:

1. to receive and consider and, if thought fit, to approve, the consolidated financial statements of the Company and its subsidiary companies for the year ended December 31, 1969 and the report of the auditors thereon;
2. to consider and, if approved, to sanction By-law No. 7 changing the place where the head office of the Company is to be situated from the Village of Malton to the Municipality of Metropolitan Toronto;
3. to elect directors;
4. to appoint auditors; and
5. to transact such other business as may properly come before the meeting.

The transfer books of the Company will not be closed, but the Board of Directors has fixed the close of business on July 3, 1970 as the record date for the determination of shareholders entitled to attend and vote at the Annual and a Special General Meeting of Shareholders.

If you do not attend in person, you are entitled to be represented by proxy and for this purpose you are invited to complete and sign the enclosed form of proxy and return it to Montreal Trust Company, 15 King Street West, Toronto, Ontario no later than 4:30 p.m. (E.D.S.T.) July 21, 1970. A prepaid addressed envelope is enclosed for your convenience.

DATED this 3rd day of July, 1970.

BY ORDER OF THE BOARD

D. A. B. STEEL
Secretary

Information Circular

Dated as of July 3, 1970

This information circular accompanies Notice of the Annual and a Special General Meeting of the Shareholders of Spar Aerospace Products Ltd. called for July 22, 1970 and is furnished in connection with a solicitation of proxies for use at that meeting. **A shareholder may appoint as his proxy a person other than those listed in the enclosed form of proxy, and if he wishes to do so he should strike out the printed names and substitute the name of his appointee in the space following the printed names.**

RIGHT OF REVOCATION

A Shareholder giving a proxy has power to revoke the proxy at any time before it is exercised.

PERSONS MAKING SOLICITATION

The proxy is solicited by the Management of the Company and the cost of solicitation will be borne by the Company.

VOTING SHARES

At the close of business on July 3, 1970 the Company had outstanding 1,248,554 common shares, 150,000 first deferred shares, 150,000 second deferred shares and 150,000 third deferred shares. The holders of the common shares, the first deferred shares and the second deferred shares at the close of business on July 3, 1970, the record date fixed by the Board of Directors, are entitled to one vote for each share held; the holders of the third deferred shares at the said record date are entitled to three votes for each share held.

Gainsborough Management Limited owns 21,000 common shares, 110,000 first deferred shares, 150,000 second deferred shares and 150,000 third deferred shares which constitute in the aggregate approximately 25% of all classes of the Company's equity shares outstanding.

DIRECTORS

The following persons are proposed to be nominated for election as directors to hold office until the next following annual meeting of Shareholders or until their successors are elected:

<u>Name and Office Presently Held (if any)</u>	<u>Principal Occupation</u>	<u>Period of Office as a Director</u>	<u>Shares Known to the Company to be beneficially Owned on July 3, 1970</u>
C. H. BARRETT Director	Industrial Consultant	February 16, 1968 to date	2 common shares
D. S. BEATTY Director	Financial Consultant	May 15, 1969 to date	100 common shares
L. D. CLARKE* President and Director	President of the Company	November 6, 1967 to date	6,000 common shares
R. B. DODWELL* Chairman of the Board and Director	Investment Dealer, Walwyn, Stodgell & Co. Limited	November 6, 1967 to date	1,600 common shares 2,600 first deferred shares
W. H. JACKSON* Director	President, Jackson Engineer- ing Sales Limited	November 6, 1967 to date	2,000 common shares

*Direct or indirect beneficial owner of more than 10% of the shares of Gainsborough Management Limited (see under the heading "Voting Shares").

<u>Name and Office Presently Held (if any)</u>	<u>Principal Occupation</u>	<u>Period of Office as a Director</u>	<u>Shares Known to the Company to be beneficially Owned on July 3, 1970</u>
DR. P. A. LAPP Director	Consultant	November 6, 1967 to date	500 common shares
ROSS A. PERIGOE	Financial Vice-President, The Imperial Life Assurance Company of Canada	—	100 common shares
D. A. B. STEEL Secretary and Director	Partner, Borden, Elliot, Kelley & Palmer	November 1, 1967 to February 16, 1968, May 15, 1969 to date	1,500 common shares
JACK P. WRIGHT	Vice-President, The Garrett Corporation, Manager, Air- supply Division of The Garrett Corporation	—	500 common shares

The principal occupations of Messrs. Perigoe and Wright have been as shown above for the past five years.

The persons named in the enclosed form of proxy intend to vote for the election of the above-named persons as Directors of the Company.

Messrs. Clarke, Dodwell and Jackson are required to be nominated for election by the terms of the management agreement between the Company and Gainsborough Management Limited referred to below under the heading "Management Contract". The Company has paid fees for legal services to the firm of which the Secretary of the Company is a partner.

REMUNERATION AND BENEFITS TO DIRECTORS AND SENIOR OFFICERS

During the financial year of the Company ended December 31, 1969 (i) the aggregate direct remuneration paid to the directors and senior officers (including the 5 highest paid employees) of the Company was \$127,866 and (ii) the estimated aggregate cost to the Company of all pension benefits payable to senior officers (including the 5 highest paid employees) of the Company at normal retirement age under the Company's salaried employees' pension plan was \$4,815. No pension benefits are payable to directors as such.

The following table sets forth certain particulars of options to purchase an aggregate of 32,000 common shares of the Company which were granted without consideration to senior officers of the Company:

<u>Date of Grant</u>	<u>No. of Shares</u>	<u>Price Range 30 days preceding Date of Grant</u>	<u>Exercise Prices and Dates</u>			
			<u>Price</u>	<u>No. of Shares to which Applicable</u>	<u>Exercisable after:</u>	<u>Expiration Dates</u>
April 8, 1969	20,000	\$3.75 - \$5.00	\$2.50	5,000	April 1, 1969	March 31, 1973
			3.00	5,000	April 1, 1970	March 31, 1973
			3.50	5,000	April 1, 1971	March 31, 1973
			4.00	5,000	April 1, 1972	March 31, 1973
July 2, 1969	12,000	\$3.75 - \$5.50	\$4.725	3,000	April 1, 1970	March 31, 1974
			5.225	3,000	April 1, 1971	March 31, 1974
			5.725	3,000	April 1, 1972	March 31, 1974
			5.975	3,000	April 1, 1973	March 31, 1974

The following table sets forth certain particulars of options to purchase common shares of the Company exercised by senior officers (including the five highest paid employees) of the Company since December 31, 1968 and prior to July 3, 1970:

Common Shares Issued Pursuant to Exercise of Options	Purchase Price	Price Range 30 days Prior to Exercise
1,500	\$1.87½	\$2.00 - \$2.50
2,000	\$1.87½	\$1.50 - \$2.50
5,000	\$2.50	\$4.25 - \$5.50
3,000	\$1.87½	\$4.65 - \$5.75
2,000	\$1.87½	\$3.75 - \$5.50

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote their proxies for the re-appointment of Clarkson, Gordon & Co. as auditors of the Company to hold office until the next Annual Meeting of Shareholders. Clarkson, Gordon & Co. were appointed the auditors of the Company on November 1, 1967.

MANAGEMENT CONTRACT

Under an agreement dated November 28, 1967 between the Company and Gainsborough Management Limited the latter supplies the Company with certain senior management services including the full time services of Mr. L. D. Clarke, the President of the Company. The Company paid Gainsborough Management Limited \$54,349 under the said agreement for management services for the year 1969. The fee payable for the remaining three years of the agreement is 1% of the amount shown as "Gross Sales" on the Company's financial statements (up to a maximum annual fee of \$75,000).

In addition to Messrs. Clarke, Dodwell and Jackson the "insiders" of Gainsborough Management Limited are its Secretary, Mr. D. A. B. Steel, Mr. M. R. Wade, Dr. P. A. Lapp, and Crome Investments Limited. The address of Mr. Wade is 1230 White Oaks Blvd., Ph. 5, Oakville, Ontario. The address of Dr. P. A. Lapp is 9 Hammok Crescent, R.R. 1, Thornhill, Ontario. The addresses of Gainsborough Management Limited and Crome Investments Limited are both 7th Floor, 250 University Avenue, Toronto, Ontario.

BY-LAW NO. 7

By-law No. 7 changes the place where the head office of the Company is to be situated from the Village of Malton to the Municipality of Metropolitan Toronto. The text of By-law No. 7 is as follows:

"BE IT ENACTED and it is hereby enacted as a by-law of SPAR AEROSPACE PRODUCTS LTD. (hereinafter called the "Company")

1. that the place where the head office of the Company is to be situated be and the same is hereby changed from the International Airport, Village of Malton, in the County of Peel and Province of Ontario to the Municipality of Metropolitan Toronto in the Province of Ontario, and
2. that the directors be and they are hereby authorized to fix the address of the head office of the Company within the said Municipality of Metropolitan Toronto."

DISCRETIONARY AUTHORITY

The Company is not aware of any matters to come before the Annual and a Special General Meeting of Shareholders in addition to those referred to as items 1 to 4, inclusive, in the Notice of Meeting. However, if any other matters should properly come before the meeting, or if there are any amendments or variations to the said items referred to in the Notice of Meeting which should properly come before the meeting, the persons named in the enclosed form of proxy intend to vote their proxies on such matters, amendments or variations in such manner as in their discretion they think fit.

The persons named in the enclosed form of proxy will vote all shares represented by proxies duly completed in their favour and delivered to Montreal Trust Company, 15 King Street West, Toronto, Ontario no later than 4:30 p.m. (E.D.S.T.) July 21, 1970; and, where a choice is specified on any such proxy with respect to any matter, the said persons will vote the shares represented thereby on such matter in accordance with such specification.